DOCUMENT RESUME

ED 194 028 HE 013 249

TITLE Recommendations for Improving Trustee Selection in Private Colleges and Universities. A Report from the National Commission on College and University Trustee Selection.

INSTITUTION Association of Governing Boards of Universities and Colleges, Washington, D.C.

PUB DATE 80

NOTE 48p.

AVAILABLE FROM Association of Governing Boards of Colleges and Universities, Suite 720, One Dupont Circle, Washington, DC 20036

EDRS PRICE MF01/PC02 Plus Postage.

DESCRIPTORS Administrator Guides; *Board Candidates; Church Related Colleges; Codes of Ethics; College Faculty; Committees; Employment Practices; *Governing Boards; Higher Education; *Private Colleges; Sabbatical Leaves; *Selection; Student Participation; Teacher Participation; *Trustees

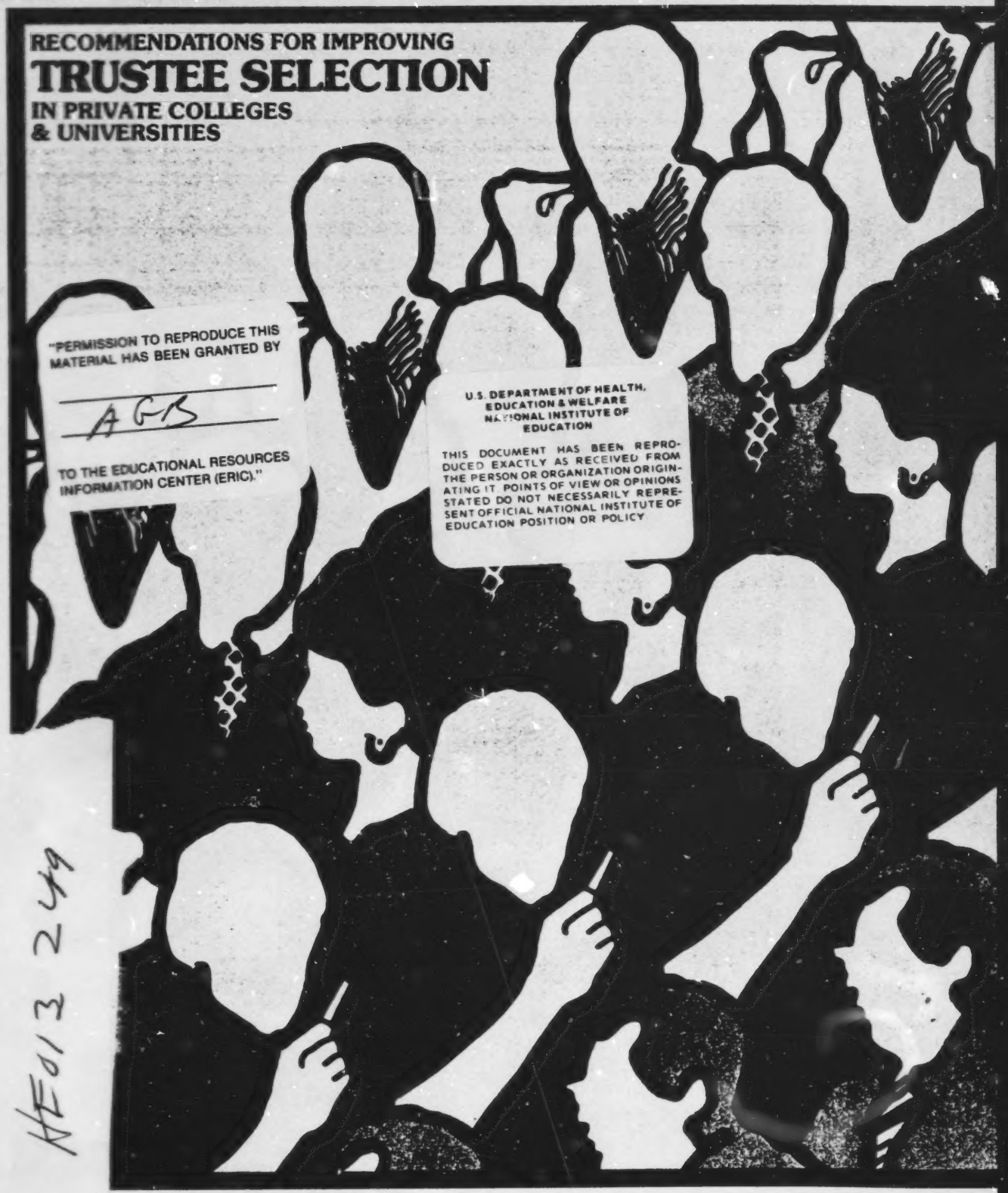
IDENTIFIERS Conflict of Interest

ABSTRACT

Recommendations on how to improve the selection of trustees in private colleges and universities are offered. A basic underlying assumption is that the future and diversity of higher education in the United States are closely linked to the health of private institutions, and that the institutions are dependent on the competence of the trustees governing them. The kinds and scopes of existing governing boards of private institutions are reviewed, followed by 14 specific recommendations for trustee selection. They include: each board should have a standing committee on trustees for the maintenance of the quality and appropriateness of the board; the search for trustees should be continuous and broad, with four steps of screening; trustee evaluation should be performed for those seeking reappointment; established procedures should be followed; invitations should be personally extended by the most appropriate trustee and the president, and should include specified information; thorough and systematic orientations should be performed by the board; no trustee should serve more than 12 consecutive years, with a one-year sabbatical between terms; terms should be for three or four years; boards of church-related institutions should include substantial numbers of lay persons; students and faculty should not be voting members of their own institutions' boards; each board should establish procedures for dealing with a trustee's potential conflict of interest; and alumni associations should be encouraged to participate in nomination of a limited number of trustees. Appended are a list of references, an illustrative trustee code of conduct, a sample conflict of interest questionnaire, a sample board profile, Association of Governing Boards' guidelines for policies affecting potential conflicts of interest, and notes on project origins and methods. Committee and advisory board members are listed. (MSE)

ED194028

RECOMMENDATIONS FOR IMPROVING TRUSTEE SELECTION IN PRIVATE COLLEGES & UNIVERSITIES



"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

AGB

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

HE013249

Table of Contents

Association of Governing Boards of Universities and Colleges
One Dupont Circle, Suite 720
Washington, D.C. 20036
Copyright © 1980 by the Association of Governing Boards of Universities and Colleges, One Dupont Circle, Washington, D.C. 20036. All rights reserved. Printed in the United States of America.

FOREWORD 5

PREFACE 6

INTRODUCTION 14

BOARDS OF TRUSTEES: AN OVERVIEW 15

RECOMMENDATION 1:
Each board should have a standing Committee on Trustees responsible for the assessment of board needs; the identification, cultivation, and recruitment of prospective trustees; the screening of candidates and incumbents; and other such tasks as appropriate 16

RECOMMENDATION 2:
Trustees should be elected by the board on recommendation of the Committee on Trustees. The Committee should be appointed by the board chairperson after consultation with the executive committee and the chief executive 18

RECOMMENDATION 3:
The search for potential trustees should be continuous and include an opportunity for all interested persons to make nominations 20

RECOMMENDATION 4:
Qualified candidates should be carefully screened. Screening of nominees should involve at least four steps 22

RECOMMENDATION 5:
An evaluation of the performance of trustees who are eligible for and seek reappointment should be conducted by the Committee on Trustees. The Code of Conduct should be used as a guideline for the review 23

RECOMMENDATION 6:
The Committee on Trustees should follow established procedures when it is prepared to make its recommendations to the full board. These should include the following steps 24

RECOMMENDATION 7:
The invitation to become a trustee should be extended in person by the most appropriate trustee and the president and should include an explanation of board and individual responsibilities, a description of the institution's current status and future plans, and, where appropriate, the relationship of the institution to its sponsoring religious body..... 25

RECOMMENDATION 8:
Governing boards should make certain that new trustees are provided with orientation programs which are systematic and thorough and which include at least the following elements..... 26

RECOMMENDATION 9:
No trustee should serve more than twelve consecutive years on the board but should be eligible for re-election after a one-year sabbatical. Terms should be three or four years..... 27

RECOMMENDATION 10:
Boards of church-related institutions should include a substantial number of lay members 28

RECOMMENDATION 11:
Students should not be voting members of the governing boards of the institutions in which they are enrolled..... 29

RECOMMENDATION 12:
Faculty members should not be voting members of the governing boards of the institutions in which they are employed 30

RECOMMENDATION 13:
Each governing board should adopt a policy designed to identify and establish procedures for dealing with a trustee's potential conflicts of interest..... 31

RECOMMENDATION 14:
Alumni associations should be encouraged to participate in the nomination of a limited number of trustees..... 32

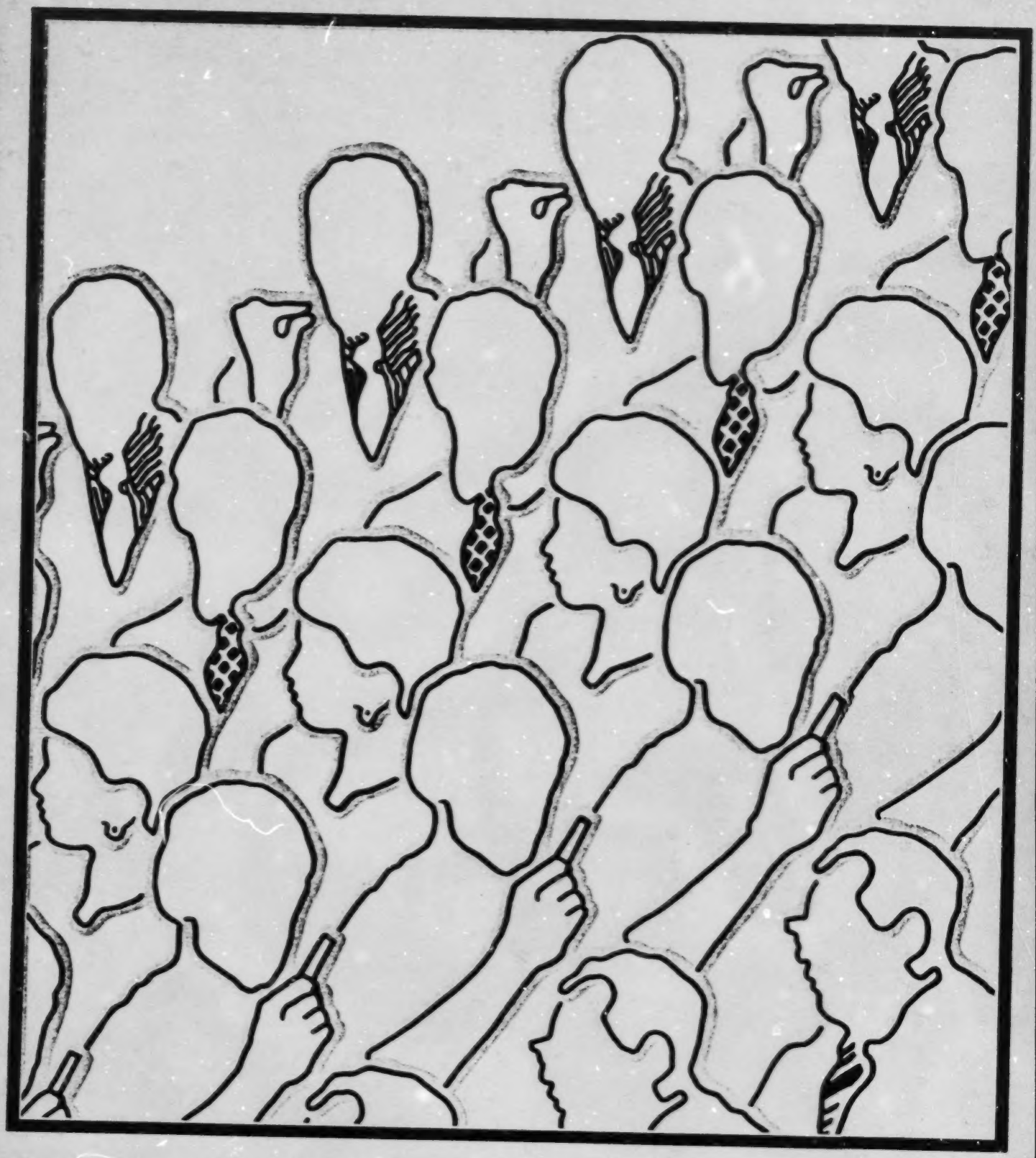
REFERENCES..... 34

APPENDIX A
Illustrative Trustee Code of Conduct..... 36

APPENDIX B
Sample Board Profile..... 38

APPENDIX C
Association of Governing Boards' "Guidelines for Policies Affecting Potential Conflicts of Interest" 40

APPENDIX D
Project Origins and Methods 45



Foreword

Colleges and universities are engaged in the frustrating task of trying to maintain quality in a time of limited resources and inflation. Sound governance is needed now more than ever at our more than 3,000 postsecondary education institutions, and this cannot be achieved without the help of the individuals who make up our boards of trustees and regents.

I recall how difficult it was during my tenure as governor of North Carolina to be familiar with the qualifications of each board member I was responsible for appointing. I would have welcomed suggestions from non-partisan groups familiar with the needs of higher education in the state. The National Commission on College and University Trustee Selection was established to help governors, legislatures, and governing boards do a more conscientious job of identifying and encouraging the most able men and women to serve.

I had the pleasure of chairing this twelve-person commission. We were fortunate to have the commitment, the range of perspective, and the collective wisdom of this impressive group of trustees, legislators, presidents and private citizens. The fact that we did not always agree with each other made our work even more interesting and valuable. We shared a common purpose, however, in our mutual desire to promote selection procedures that would safeguard and advance the effectiveness of a precious national resource—college and university trusteeship.

To the commissioners, the Carnegie Corporation, the project staff, and the Association of Governing Boards go my thanks for their role in this important project. And to those who hold public office and to those who serve the independent sector of higher education, I urge the most serious attention to the recommendations.

Robert W. Scott
Commission Chairman

Preface

Can trustee selection be improved? This question has been asked with greater urgency by the Association of Governing Boards of Universities and Colleges (AGB) as mounting financial pressures and threats to institutional independence have underscored the need for identifying and recruiting qualified candidates for trusteeship in the private sector. The self-perpetuating nature of most independent college governing boards would appear to make this goal easily attainable. Yet private colleges and universities which traditionally have the largest boards have not always succeeded in placing the most able people on these boards.

Trustee selection procedures in the independent sector can be at worst haphazard and at best casual. The outstanding contribution which many private college trustees in this country have made is all the more remarkable given this general lack of attention to selection procedures. In place of a nominating or other board committee charged with the continuous responsibility of identifying potential candidates and assessing the performance of incumbents, many boards rely on a last minute attempt to fill board vacancies as they occur. This may result in the selection of board members who are ill-equipped to participate in institutional governance. But the greater tragedy is that this hasty process may overlook a large number of talented men and women who are qualified to serve on these boards by virtue of their experience and their commitment.

AGB has chosen to sponsor an independent National Commission on College and University Trustee Selection in the belief that more thoughtful procedures will enhance the system of lay governance on which our higher education system depends. We are grateful to the Carnegie Corporation of New York for recognizing the importance of these goals and particularly to Alden Dunham, its program officer, for supporting this national study aimed at improving the selection processes for the more than 38,000 volunteer

trustees of higher education. In addition to this report, a separate set of recommendations for the public sector is available from the Association.

The names of a number of individuals who made these recommendations possible are listed on the next few pages, beginning with the National Commission on College and University Trustee Selection which served as the guiding force for this project. The collective experience and wisdom of these dedicated trustees, legislators, presidents, and private citizens under the able chairmanship of Governor Robert Scott is yet another example of the tradition of volunteerism that distinguishes this nation.

Kenneth Mortimer, director of the Center for the Study of Higher Education at The Pennsylvania State University, served as director of this study. The high standards which Dr. Mortimer has exhibited in all of the work he has done for higher education were evident in the quality of his research methodology and his direction for this project. Patricia Kohn (who succeeded Helen Warren as Associate Project Director) deserves our thanks for her significant contribution as does Nancy Axelrod, AGB's Director of Special Projects, who assisted with this study.

John Nason contributed his experience and his valued judgment to this project as a special consultant, as did S. V. Martorana.

We also include the names of the members of two advisory task forces representing organizations in the public and private sector who were extremely helpful to the Commission in clarifying issues and in reviewing recommendations. We hope that their important role in this effort has resulted in guidelines which will be helpful to their respective constituencies and advanced as principles worth considering.

Robert L. Gale
President, AGB

Members of the National Commission on College and University Trustee Selection

ROBERT W. SCOTT

Commission Chairman

Former Governor, North Carolina

Robert W. Scott served as chairman of the National Commission on College and University Trustee Selection. He is a former governor of North Carolina and served most recently as federal co-chairman of the Appalachian Regional Commission.

VERNON R. ALDEN

Chairman

Massachusetts Business Development Council

Vernon R. Alden is chairman of Business Development Council of the Commonwealth of Massachusetts. Dr. Alden served as president of Ohio University, and holds several trusteeships including those of the Board of Fellows of Brown University and the visiting committee of Harvard University's Graduate School of Education.

PHYLLIS K. ERICKSON

State Representative

Washington State House of Representatives

Phyllis K. Erickson is the state representative for the second legislative district in the Washington State House of Representatives. She has been active on the Washington House Higher Education Committee, the Education Commission of the States, and is a member of a community college board.

CLARK KERR
Former Chairman
Carnegie Council on Policy Studies in Higher Education
Clark Kerr is the former chairman of the Carnegie Council on Policy Studies in Higher Education. Dr. Kerr was president of the University of California and is currently a trustee of Swarthmore College and the Rockefeller Foundation.

RICHARD W. LYMAN
Former President
Stanford University
Richard W. Lyman served as president of Stanford University from 1970-1980. He assumed the presidency of the Rockefeller Foundation in August, 1980.

LUCILLE MAURER
Member
Maryland House of Delegates
Lucille Maurer is a delegate from the nineteenth legislative district (Montgomery County, MD) in the Maryland House of Delegates. She has been active in several governor's commissions and served as a trustee of Montgomery Community College.

DONALD H. McGANNON
Chairman and President
Westinghouse Broadcasting Company
Donald H. McGannon is chairman of the board and chief executive officer of the Westinghouse Broadcasting Company. He is a trustee and advisor to seven institutions of higher learning and serves with several governmental agencies and groups.

ROBERT D. RAY
Governor, Iowa
Robert D. Ray has served as governor of Iowa since 1968. Governor Ray has been chairman of the National Governors' Conference and president of the Council of State Governments.

GLENN E. WATTS
President
Communications Workers of America
Glenn E. Watts is president of the Communications Workers of America and a member of the executive council of the AFL-CIO. He is a trustee of the Ford Foundation and treasurer of the National Urban Coalition.

NILS Y. WESSELL
Former President
Alfred P. Sloan Foundation
Nils Y. Wessell is the former president of the Alfred P. Sloan Foundation. He is a trustee at the University of Miami and has served as a trustee at the University of Maine and a member of the New York City Board of Higher Education.

CLIFTON R. WHARTON, JR.
Chancellor
State University of New York
Clifton R. Wharton, Jr. is chancellor of the State University of New York (SUNY). Formerly, Dr. Wharton was president of Michigan State University and a foundation official working with developing nations in Asia and Latin America.

WILLARD WIRTZ
Partner
Wirtz & Lapointe
Willard Wirtz is a partner in the Washington, D.C. law firm of Wirtz and Lapointe. He served as Secretary of Labor in the cabinets of Presidents Kennedy and Johnson and as a trustee of Amherst College.

EX-OFFICIO:

ROBERT L. GALE
President, AGB

RICHARD T. INGRAM
Vice President, AGB

Members of the Advisory Task Force for the Private Sector

THOMAS A. BARTLETT
President
Association of American Universities

MARK H. CURTIS
President
Association of American Colleges

JAMES L. FISHER
President
Council for the Advancement and Support of Education

MARTHA FRIEDMAN
General President
American Association of University Professors

W. TODD FURNISS
Director, Office of Academic Affairs
American Council on Education

JOHN F. MURPHY
Executive Director
Association of Catholic Colleges and Universities

ROBERT RUE PARSONAGE
Executive, Education in the Society
National Council of Churches

J. W. PELTASON
President
American Council on Education

JOHN D. PHILLIPS
President
National Association of Independent Colleges and Universities

GARY H. QUEHL
President
Council for the Advancement of Small Colleges

Members of the Advisory Task Force for the Public Sector

MARJORIE BELL CHAMBERS
Former President
American Association of University Women

ROBERT L. CLODIUS
President
National Association of State Universities and Land-Grant Colleges

DAVID COHEN
President
Common Cause

STEPHEN B. FARBER
Executive Director
National Governors' Conference

ROBERT deVOURSNEY
Director, Department of Research
Council of State Governments

WARREN G. HILL
Executive Director
Education Commission of the States

FRANK JACKALONE
National Chairperson
U.S. Student Association

JAMES R. JORDAN
Program Advisor
American Council on Education

SAMUEL L. MYERS
Executive Director
National Association for Equal Opportunity in Higher Education

MICHAEL OLIVAS
Director of Research
League of United Latin American Citizens
National Educational Service Centers, Inc.

ALLAN W. OSTAR
President
American Association of State Colleges and Universities

J. W. PELTASON
President
American Council on Education

ROGER YARRINGTON
Vice President
American Association of Community and Junior Colleges

Introduction

The purpose of this report by the National Commission on College and University Trustee Selection is to offer recommendations on how to improve the selection of trustees in private colleges and universities.* (A separate report covers public colleges and universities.) The lay governing board is a central feature of American postsecondary education and is a key factor in shaping institutional purpose and preserving institutional integrity.** The Commission believes that "governing boards of higher education, if they are prepared to rise to the opportunities, have a more important role in the years ahead than at any time in this century" (Nason, 1974, p. 1).

In the course of its deliberations the Commission has developed six basic assumptions about the selection of trustees for private governing boards.

1. The educational and financial health of private colleges and universities in the coming years will depend in large measure on the competence of those who are chosen to serve as trustees and regents.

2. Private colleges and universities are an important segment of American postsecondary education, and their preservation and well being is a crucial factor in maintaining cultural pluralism and diversity.

3. There has been a general and pervasive erosion in the independence of private institutions as a result of government regulatory initiatives. Furthermore, private institutions must be on guard against the assumption of control which could arise with the increase in public financial support. Accordingly, it is even more crucial to select able men and women to serve on boards who can be effective in communicating the value of private higher education and the importance of institutions remaining independent of improper political influences.

4. The lack of diversity and balance in age, sex, minority status, geographic coverage, and professional expertise in board membership seriously limits board perspective and may damage the board's legitimacy. At the same time, upon assuming their positions, trustees must function in the interest of the whole institution rather than of any of its separate constituencies.

5. More thorough and systematic attention to the selection of trustees will increase the pool of highly qualified and able persons who are willing or can be persuaded to accept a trusteeship.

6. Trustees, presidents, and others will welcome guidelines to strengthen trustee selection processes—guidelines which can be adapted to the particular circumstances of their institution's mission and purpose.

These six assumptions were influenced by a thorough understanding of and appreciation for the fundamental diversity of American private postsecondary institutions. This diversity which extends to structure, purpose, trustee selection method, and institutional tradition was fully recognized throughout the Commission's deliberations.

*See Appendix D for a discussion of the Commission's origins, purpose, and the process of its deliberations.

**For the purpose of this report governing boards are defined as those bodies in postsecondary education that have at least two major responsibilities—the selection and evaluation of the president, and ultimate responsibility for the fiscal affairs of the institution. The Commission recognizes that there are various terms which apply to such boards and their members, the most common being trustee or regent, and takes no position on terminology. In addition, the Commission recognizes there are several titles such as board of trustees, board of visitors, governing board, institutional council, board of directors, all of which are meant to apply to the variety of boards that oversee the governance of American higher education. While the Commission concentrated on governing boards, much of the Commission's work also applies to a variety of advisory and nongoverning boards.

Boards of Trustees: An Overview

Structure and Purpose

There are approximately 43,000 positions on 1,544 private governing boards (Gomberg and Atelsek, 1977, p. 9) which serve some 1,685 colleges and universities and 2.6 million students (National Center for Education Statistics, 1979a, 1979b). The remarkable diversity of structure and purpose of these boards and the institutions they govern is reflected in the following data:

- **1,518 boards govern single campus and 26 boards govern multi-campus institutions (Gomberg and Atelsek, 1977, p. 9).**

- **Approximately 238 private two-year colleges have primarily a local orientation and concentrate on teaching and service missions. (Carnegie Council, 1976).**

- **Approximately 240 comprehensive colleges and universities are primarily local and/or state-oriented and tend to concentrate on their teaching and service missions (Carnegie Council, 1976).**

- **Approximately 570 colleges are oriented toward offering liberal arts programs, 120 of which are highly selective in their admissions policies. (Carnegie Council, 1976).**

- **Approximately 65 private universities are state, regional, national, and international in their orientations and have a full range of teaching, service, and research missions. (Carnegie Council, 1976).**

- **Approximately 740 colleges and universities make a claim to a relationship with a church that ranges from almost complete church control to only a reference to the church's history or tradition as it once related to the institution (Parsonage, 1978, p. 292).**

In spite of the diversity of structure, purpose and tradition the Commission is convinced that sound general principles and procedures of trustee selection can be formulated. The 14 recommendations which follow are intended to serve as *guidelines to good practice* in the selection and orientation of trustees.

The Commission recognizes there is no single way to go about the selection of trustees. Trustees and administrators should analyze the recommendations to determine their application to their own institution's needs and traditions.

The 14 recommendations seek to be sensitive to diverse practices and to assure that governing boards of private institutions have:

- **trustees of the highest ability and commitment**

- **the independence to manage their internal affairs**

- **the diversity and balance necessary to assure the consideration of diverse points of view and to provide the expertise for informed decision making**

- **the legitimacy to make their decisions effective.**

Throughout the text the reader will find quotations from individuals interviewed in the course of the Commission's work. They are included in order to highlight current trustee selection policies and procedures.

Recommendation

EACH BOARD SHOULD HAVE A STANDING COMMITTEE ON TRUSTEES WITH THE FOLLOWING RESPONSIBILITIES:

- **TO DEVELOP AND REVIEW PERIODICALLY A STATEMENT OF TRUSTEE RESPONSIBILITIES FOR ADOPTION BY THE BOARD.**
- **TO ASSESS CONTINUOUSLY THE BOARD'S MEMBERSHIP IN TERMS OF BACKGROUND AND SKILLS, DIVERSITY (ETHNIC, RACIAL, SEXUAL, AGE, GEOGRAPHIC, SOCIAL, AND POLITICAL), AND NEEDS.**
- **TO DETERMINE WHICH BASIC BOARD RESPONSIBILITIES ARE TO BE STRESSED IN A GIVEN APPOINTMENT AND TO BALANCE THIS NEED WITH THE ASSESSMENT OF BOARD MEMBERSHIP AND ITS APPARENT NEEDS. (SEE ILLUSTRATIVE TRUSTEE CODE OF CONDUCT IN A APPENDIX FOR 12 BASIC RESPONSIBILITIES.)**
- **TO CONSULT BROADLY, IDENTIFY, AND CONTINUOUSLY ENCOURAGE HIGHLY QUALIFIED AND COMMITTED PERSONS WHO MIGHT BE PERSUADED TO BECOME TRUSTEES.**
- **TO GATHER INFORMATION, PREPARE DOCUMENTATION, AND NOMINATE CANDIDATES FOR TRUSTEE TO THE BOARD.**
- **TO OVERSEE ORIENTATION PROGRAMS FOR NEWLY APPOINTED TRUSTEES.**
- **TO EVALUATE TRUSTEES ELIGIBLE FOR REAPPOINTMENT AND THOSE ELIGIBLE FOR LIFE OR EMERITUS STATUS.**
- **TO EVALUATE THE PERFORMANCE OF BOARD OFFICERS AND ANNUALLY TO RECOMMEND TRUSTEES TO SERVE IN LEADERSHIP POSITIONS.**
- **TO CONSULT WITH ALUMNI AND/OR DENOMINATIONAL BODIES WITH RESPONSIBILITY FOR CHOOSING ANY TRUSTEES.**

A statement of trustee responsibilities should have two dimensions, the major responsibilities of the board, and the responsibilities of individual trustees, both of which are covered in the Illustrative Trustee Code of Conduct.

The 12 board responsibilities covered in this Code of Conduct should be molded to fit the institution's circumstances. For example, a church-related college may wish to specify the meaning of its church relatedness and a single-sex institution may wish to clarify its special mission.

The responsibilities of an individual trustee need to be discussed fully with each member of the board. For example, it is crucial that trustees of private institutions understand and accept their responsibility to support fund-raising efforts. For many trustees this will mean greater participation in soliciting others for support. One of the more delicate and difficult responsibilities for trustees to understand and follow is to concentrate on the role of the board as a policy-making body and to avoid trying to administer policy.

The assessment of board membership speaks to one of the most persistent and serious criticisms directed at governing boards of private institutions—their lack of diversity and balance. A 1977 survey sponsored by the Association of Governing Boards shows that 94 percent of trustees are white, 85 percent male, and 68 percent over 50 years of age (Gomberg and Atelsek, 1977). More diverse and balanced governing boards can help sustain the legitimacy of board decisions and can provide the expertise to make these decisions more effective.

The traditional indicators of balance and diversity are listed in more detail on the Sample Board Profile (see Appendix B). Another equally important but less obvious dimension is the particular skills or talent that a board needs to be effective. Often these talents are associated with a given occupation, but at other times they are inherent in individuals. Some of these skills are:

- **ability to raise money**
- **ability to manage money**
- **knowledge of higher education**
- **knowledge of local, state, and/or federal government**
- **lobbying or political skills**
- **real estate or physical plant expertise**

Since few individuals possess all of the skills needed by the board, the Committee on Trustees must make the difficult choice as to what basic responsibilities need to be stressed in a given appointment and match this need with a need for diversity and balance.

In one major private university, an assessment of board balance at the start of a major fund-raising campaign resulted in a determination to make the next two trustee appointments persons who had access to the New York financial community. In order to assure that this need was filled, the nominating committee asked the alumni to suspend their election procedure for one year and allot the two seats on the board to members chosen by the Committee on Trustees.

It is important to make sure the tasks specified in this recommendation are actually performed. One effective way to do so is to specify them as responsibilities of the Committee on Trustees, preferably in the board's bylaws.

Recommendation

TRUSTEES SHOULD BE ELECTED BY THE BOARD ON RECOMMENDATION OF THE COMMITTEE ON TRUSTEES. THE COMMITTEE SHOULD BE APPOINTED BY THE BOARD CHAIRPERSON AFTER CONSULTATION WITH THE EXECUTIVE COMMITTEE AND THE CHIEF EXECUTIVE.

- **THE COMMITTEE ON TRUSTEES SHOULD HAVE APPROXIMATELY FIVE MEMBERS.**
- **THE MEMBERSHIP OF THE COMMITTEE ON TRUSTEES SHOULD REFLECT THE DIVERSITY OF THE COMMUNITY THE COLLEGE SERVES. IT SHOULD ALSO INCLUDE SOME OF THE MOST ABLE, EXPERIENCED, AND COMMITTED TRUSTEES.**
- **WHEN THE SPONSORING RELIGIOUS BODY NOMINATES OR SELECTS SOME OF THE TRUSTEES, THE COMMITTEE ON TRUSTEES SHOULD BE CONSULTED CONCERNING THE BOARD'S NEEDS.**

The key role in the selection of high quality and committed trustees should be played by the Committee. The quality of the work done by the board depends on the quality of its recommendations, and the more carefully the committee's work is done, the more the authority of the board will be perceived as legitimate. The criticism that private boards are not sufficiently diverse and balanced can be largely traced to inactive nominating committees.

The field work by the Commission's staff uncovered several problems in the operation of "nominating" committees. In a number of cases, these committees were found to be less than systematic in their activities. The leadership of two major private universities complained that over the past few years the board had lost its access to sources of substantial wealth. In one case the composition of the board had changed gradually, so that it was not immediately obvious that access to major financial centers had gradually eroded. In the other case, several trustees who were large benefactors died over a period of years, and the board was unable to replace them with other large donors.

A small private college was concerned that a position on its board had been regarded as a prize to be handed out to local civic leaders, without sufficient attention being paid to regional or national representation. The nominating committee was dominated by people with local orientation.

A second problem in the operation of some nominating committees is that they do not meet regularly, and consequently identification and recruitment of trustees is left to the president. This Commission believes that while the president should have a leadership role, it is not appropriate for the board to be passive.

To handle its workload, the Committee on Trustees should number about five members. The process for identifying potential trustees should be a broad one, though the nominating

committee should also recognize that many contacts and recommendations will come from its own membership.

The board chairperson and the president of the institution should be *ex officio* members of the Committee on Trustees to lend their broad perspective of the board's and the institution's needs. Since the president and trustees must be able to work together, no trustee should ordinarily be chosen who is not acceptable to the president. Another potential source of committee members in some institutions would be life or emeritus trustees.

Since its workload will require that adequate records be kept, the Committee must have adequate staff. This may be provided by the president's office if members of the committee can be given adequate access to the staff.

Recommendation

THE SEARCH FOR POTENTIAL TRUSTEES SHOULD BE CONTINUOUS AND INCLUDE AN OPPORTUNITY FOR ALL INTERESTED PERSONS TO MAKE NOMINATIONS. AMONG THE SOURCES OF NOMINEES ARE:

- THE CHIEF EXECUTIVE, MEMBERS OF THE COMMITTEE ON TRUSTEES, AND OTHER BOARD MEMBERS;
- INSTITUTIONAL ADMINISTRATORS INCLUDING THE DEVELOPMENT OFFICE, FACULTY, STUDENTS, AND ALUMNI;
- INSTITUTIONAL VISITING OR ADVISORY COMMITTEES;
- LOCAL AND/OR COMMUNITY LEADERS;
- CHURCH LEADERS AND DENOMINATIONAL EDUCATIONAL AGENCIES (IN THE CASE OF CHURCH-RELATED INSTITUTIONS).

3

The search for highly qualified and committed trustees is a continuous activity. Some institutions start a search for a trustee only when a vacancy occurs and then wonder why they have trouble recruiting a highly qualified person! It is likely that persons of the caliber needed to be effective trustees are typically busy and have many other commitments. Their interest in the institution may have to be developed over time.

Some institutions maintain files of potential trustees, persons who become visible through their participation on institutional advisory boards, fund drives, annual giving, or parent-student functions. Those nominations which come from within the institution should be coordinated through the president's office. Some church-related colleges have been helped by church leaders to identify and cultivate good trustees.

Although the Committee on Trustees should assume final responsibility for the cultivation and screening of trustees, it is important to remind the entire board from time to time that the committee welcomes proposals. The actual practice of selection will vary among institutions. Some committees propose names for board election. Others submit a list of potential candidates for board approval and then select individual trustees from those on the approved list.

Through the president's office the development office should be a regular part of the communications network in identifying potential trustees. Some boards have been tempted to select persons solely because they are capable of making substantial donations. This is a mistake. Many valued donors do not make suitable trustees. Commitment of money should not be confused with commitment of time and energy.

By the time a person becomes the chief executive officer of a corporation everybody wants him as a trustee. We try to identify the person on the way up who may be the *future* chief executive officer.
—a university administrator

We have several names of potential trustees which we present to the corporation once a year for their approval. Once an individual has been approved, the nominating committee is free to invite him or her to serve on the board at any time. We may invite one of the newly approved people immediately, or we may never make an offer. However, we always have a pool of qualified, approved people on which to draw.
—presidential assistant

Recommendation

QUALIFIED CANDIDATES SHOULD BE CAREFULLY SCREENED. SCREENING OF NOMINEES SHOULD INVOLVE AT LEAST FOUR STEPS:

- **ANALYSIS OF BIOGRAPHICAL INFORMATION.**
- **REVIEW OF SUPPORTING DOCUMENTS PROVIDED BY STAFF AND NOMINATORS, INCLUDING ANY INTEREST IN OR ASSOCIATION WITH THE INSTITUTION.**
- **COMMUNICATION WITH PERSONS FAMILIAR WITH THE NOMINEE'S PERFORMANCE ON OTHER BOARDS OR IN SIMILAR VOLUNTARY ACTIVITIES.**
- **DETERMINATION OF INTEREST ON THE PART OF POTENTIAL CANDIDATES.**

The entire Committee on Trustees should review thoroughly the credentials of all candidates: their professional and educational background, specific skills and expertise considered, as shown in vitae, letters of recommendation, and opinions of qualified third parties. Verification of references is a time-consuming and delicate matter and must be done with tact since the Committee is seeking evidence of some quite subtle personal qualities. According to Gale (1980), "Perhaps the most important ingredients are intelligence, good judgment, and the ability to ask the right questions" (p. 62). Some of the areas to be probed include:

- **Has the candidate performed well on other boards of which he or she is a member?**
- **Why does the nominator think the candidate will be a good trustee?**
- **Does the candidate have any significant *potential* conflict of interest?**
- **Is the candidate genuinely interested in postsecondary education?**
- **What are the candidate's ties with or commitments to the institution?**

The candidate's interest in or association with the institution should be probed in some detail. To avoid proposing to the full board the names of people not willing to serve, the committee should discreetly ascertain the interest of potential candidates. This should be done carefully so that no individual erroneously believes himself or herself to be a candidate. A committee nomination may be rejected by the full board, and the rejection must not embarrass the nominee or discourage the person's interest. The candidate who may not be the best choice at a given time may be ideal later when the institution's needs have changed.

Recommendation

AN EVALUATION OF THE PERFORMANCE OF TRUSTEES WHO ARE ELIGIBLE FOR AND SEEK REAPPOINTMENT SHOULD BE CONDUCTED BY THE COMMITTEE ON TRUSTEES. THE CODE OF CONDUCT SHOULD BE USED AS A GUIDELINE FOR THE REVIEW.

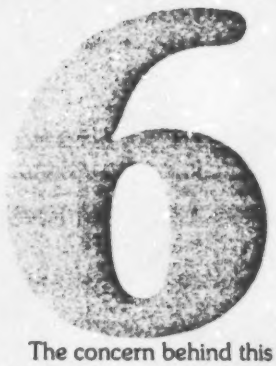
There is no single set of criteria on which to base an evaluation of a trustee's performance. The Committee on Trustees must be aware of the unique contributions made by each trustee. However, there are some requirements that can be applied to all incumbents. Trustees should attend and participate in regular meetings of the board. They should be willing to accept committee assignments as necessary, and to support the institution through their own financial contributions according to their means and through their involvement in fund-raising efforts. Finally, incumbent trustees should have developed and illustrated throughout their term a concern for the institution as a whole. That is, trustees should not perceive that they are on the board to promote the interests of any constituency, but rather for the benefit of the institution as a whole.

A systematic assessment should make it possible for the inactive or ineffective trustee to be eased off the board without embarrassment. Should the Committee on Trustees find that an inactive trustee is interested in an additional term, the member can be informed that a favorable recommendation depends on increased participation.

Recommendation

THE COMMITTEE ON TRUSTEES SHOULD FOLLOW ESTABLISHED PROCEDURES WHEN IT IS PREPARED TO MAKE ITS RECOMMENDATIONS TO THE FULL BOARD. THESE SHOULD INCLUDE THE FOLLOWING STEPS:

- **RECOMMENDATIONS SHOULD BE CIRCULATED TO THE BOARD WELL IN ADVANCE OF THE ELECTION.**
- **A RECOMMENDATION SHOULD INCLUDE BIOGRAPHICAL INFORMATION, A STATEMENT AS TO WHY THE PERSON WOULD BE A GOOD TRUSTEE, AND WHAT PARTICULAR BOARD NEED(S) WOULD BE FILLED BY THE APPOINTMENT.**
- **A DECISION TO ELECT SHOULD BE CONTINGENT UPON THE INDIVIDUAL'S WILLINGNESS TO SERVE.**
- **INDIVIDUAL NOMINEES SHOULD NOT BE CONTACTED FORMALLY UNTIL THE BOARD HAS ACCEPTED THE COMMITTEE'S RECOMMENDATIONS.**



The concern behind this recommendation is that the Committee on Trustees must be careful not to function without the knowledge of the full board. While much of the recruitment and screening will not involve the entire board, once the committee is prepared to make recommendations, these recommendations should be circulated to board members far enough in advance of the meeting to allow board members an opportunity to carefully consider each candidate. Board members should be provided with information about each candidate including professional background, special skills and abilities, and relationship to the institution. A statement explaining why this person would make a good trustee and what board needs would be met should be included. As noted, a nominee should not be contacted formally until the board has accepted the recommendation of the Committee on Trustees.

Recommendation

THE INVITATION TO BECOME A TRUSTEE SHOULD BE EXTENDED IN PERSON BY THE MOST APPROPRIATE TRUSTEE AND THE PRESIDENT AND SHOULD INCLUDE AN EXPLANATION OF:

- **THE RESPONSIBILITIES OF THE BOARD (SEE THE ILLUSTRATIVE TRUSTEE CODE OF CONDUCT).**
- **THE RESPONSIBILITIES OF A TRUSTEE AS DETAILED IN THE CODE OF CONDUCT.**
- **A GENERAL DESCRIPTION OF THE INSTITUTION'S CURRENT STATUS AND FUTURE DIRECTIONS INCLUDING A COPY OF THE BOARD'S BYLAWS.**
- **WHERE APPROPRIATE, THE RELATIONSHIP OF THE INSTITUTION TO ITS SPONSORING RELIGIOUS BODY.**

Extending the invitation to become a trustee is a delicate matter and should not be taken lightly. A mere telephone call or a letter is inadequate and may even risk the loss of a good trustee. A personal call by the most appropriate trustee and the president should be made. Only in a somewhat formalized setting can it be made clear that a serious commitment is wanted; otherwise, subsequent assignments for committee work, or requests for giving or fund raising may create irritation or resentment.

On the other hand, a common misconception on the part of potential trustees is that they are expected to be personally wealthy. A number of trustees have reported the case of someone invited to join a board responding, "I am flattered, but you overestimate my wealth."

The personal visit should be made in the candidate's place of business or home, if possible, and should be accompanied by a specific set of reasons why that individual is being approached. It will be necessary to review the individual's association with the college and other matters of personal history before the visit is made.

The callers should be prepared to talk about the responsibilities of being a trustee at their institution, the Trustee Code of Conduct, the college's current status and future prospects, and the time demands of trusteeship. It is preferable that the candidate be provided with documents concerning the institution's history, mission, and planning, and be allowed an opportunity to review this information prior to reaching a decision.

Recommendation

GOVERNING BOARDS SHOULD MAKE CERTAIN THAT NEW TRUSTEES ARE PROVIDED WITH ORIENTATION PROGRAMS WHICH ARE SYSTEMATIC AND THOROUGH AND WHICH INCLUDE AT LEAST THE FOLLOWING ELEMENTS:

- **CLARIFICATION OF THE OBLIGATIONS AND INDIVIDUAL RESPONSIBILITIES OF A TRUSTEE.**
- **AN EXPLANATION OF THE STRUCTURE OF THE BOARD.**
- **A FULL, IF BRIEF, EXPOSITION OF THE INSTITUTION'S MISSIONS, PLANS, AND PROSPECTS.**
- **A TOUR OF THE CAMPUS, INCLUDING BRIEFINGS BY THE CHIEF ADMINISTRATIVE OFFICERS EXPLAINING THEIR AREAS OF OPERATION AND MEETINGS WITH FACULTY AND STUDENT LEADERS.**
- **AN OPPORTUNITY TO MEET FELLOW TRUSTEES OUTSIDE OF REGULAR BOARD MEETINGS AND IDEALLY THE OPPORTUNITY TO DO THE SAME WITH TRUSTEES OF OTHER INSTITUTIONS.**

Almost every new trustee needs some help to become effective in a short period of time. This help must come from experienced trustees, the president, and other institutional staff ideally in the form of a systematic and thorough orientation program. Occasionally external consultants may be useful in new trustee orientation.

In an institution of our size and complexity it takes a trustee two years to develop an understanding of the issues.
—a university president

Recommendation

NO TRUSTEE SHOULD SERVE MORE THAN 12 CONSECUTIVE YEARS ON THE BOARD BUT SHOULD BE ELIGIBLE FOR RE-ELECTION AFTER A ONE-YEAR SABBATICAL.

- **TERMS SHOULD BE THREE OR FOUR YEARS.**
- **THERE SHOULD BE AN ESTABLISHED BYLAW PROVISION FOR TERMINATION OF A TRUSTEE WHOSE PERFORMANCE FALLS SHORT OF EXPECTATIONS.**
- **CRITERIA SHOULD BE ESTABLISHED FOR ELECTION TO EMERITUS OR LIFE STATUS FOR TRUSTEES WHO HAVE SERVED SEVERAL TERMS. THIS DESIGNATION SHOULD NOT BE CONFERRED AUTOMATICALLY BUT SHOULD BE RESERVED FOR THOSE WHO SERVE WITH DISTINCTION OVER AN EXTENDED TIME PERIOD. EMERITUS TRUSTEES USUALLY DO NOT VOTE, BUT PARTICIPATE IN DISCUSSION.**

The recommendation that a trustee not serve more than 12 consecutive years on the board is designed to balance the need for continuity and stability with the need to insure a constantly fresh flow of ideas and attitudes. Terms limited to three or four years will provide the opportunity for reassessment of trustee performance giving both the board and the trustee a more graceful way to terminate the arrangement.

Nevertheless, there should be a means of terminating trustees who are unable to meet their responsibilities, whether due to a change in personal circumstances or to a misunderstanding of the requirements of trusteeship.

The most common objection to short terms and a time limit comes from those who value effective trustees to such an extent that they do not wish any requirements to result in the loss of a trustee. The creation of emeritus, honorary, or life status will provide a response for those with this concern. For this very reason, life, emeritus, or honorary status should not be automatically conferred.

The one-year sabbatical, should the board consider this desirable, may be bridged by continuing to appoint the retiring trustee to board committees. However, such a device should not be used to avoid evaluation and turnover on the board.

Boards which consistently and diligently assess the performance of each trustee may not need to impose the mandatory term limit proposed in this recommendation. Many colleges and universities manage diplomatically yet firmly to persuade an ineffective board member not to seek another term. Many other boards, however, find it preferable to operate under a term limit policy with a grace period to permit substantive reflection on a trustee's performance as recommended here.

Recommendation

BOARDS OF CHURCH-RELATED INSTITUTIONS SHOULD INCLUDE A SUBSTANTIAL NUMBER OF LAY MEMBERS.

10

In recent years the involvement of lay persons on boards of church-related institutions has become more prevalent. A study of Roman Catholic-related institutions revealed that over 95 percent include at least one lay member on the governing board. The laity comprised 63 percent of the national trustee population, and their presence on individual boards ranged from a low of 22 percent to a high of 85 percent of voting membership (Stamm, 1979). Many church-related institutions have found that increasing the size of the board by appointing lay persons who have expertise which the board previously lacked has benefited the institution without harming its religious character.

This recommendation supports the need for diversity within governing boards of church-related institutions.

Recommendation 11

STUDENTS SHOULD NOT BE VOTING MEMBERS OF THE GOVERNING BOARDS OF THE INSTITUTIONS IN WHICH THEY ARE ENROLLED.

Over the past decade, a vigorous case has been presented for the inclusion of students as voting members of governing boards. A 1976 study reported that student trustees are to be found in every state in the country except Nevada, and on every type of postsecondary educational governing board—single campus, multi-campus, coordinating bodies, public and independent, and two- and four-year college and university boards (McIntyre, 1977, p. 15). Student *voting membership* on governing boards, however, has not been as widely accepted as these data imply. A 1977 survey shows that less than one percent of the 40,000 trustees serving on independent governing boards are designated to be students (Gomberg and Atelsek, 1977, p. 9).

The Commission believes that extensive student participation on board committees is desirable, but that students as full voting members of the board constitutes a conflict of interest.* A student trustee is presumed to represent an internal constituency. The Commission is also concerned that student trustees only serve for a short period of time; too often the student trustee's term has expired just when the student has begun to understand the job. The Commission is further persuaded that a student should be considered for the nominating committee and that appointing authorities should also consider young alumni for appointments to boards.

Although the Commission discourages designating an individual as a student trustee and creating a student term of office (generally one year), some Commission members believe that the nominating committee should not be constrained in considering an individual simply because he or she is a student. That is, if a person who is a student comes before the nominating committee, that person's qualifications should be reviewed in the same manner as other candidates'. If the student becomes one of the candidates and is ultimately appointed, the student should serve in the same capacity as any other trustee—with voting rights and for the usual term of office, but not as a designated student trustee.**

*"My experience in New York, where there is a student trustee mandated by law, reveals several other problems. Legally mandated student trustees often do provide valuable student views to the board of trustees, but that is not the sole—nor necessarily the most effective—manner for securing such views. Under such circumstances, the value and influence of student views are directly correlated with the representativeness of the student spokesperson and persuasiveness rather than any vote, just as is true of any other trustee. Unfortunately, when such is not the case, the symbolism of membership with vote merely leads to frustration on the part of the student trustee and to attempts to increase the number of student trustees even further."
—Clifton R. Wharton

**"I do not oppose a shorter term for student trustees, and I support designated student trustee positions on governing boards in order to insure student membership."
—Lucille Maurer

Recommendation

FACULTY MEMBERS SHOULD NOT BE VOTING MEMBERS OF THE GOVERNING BOARDS OF INSTITUTIONS BY WHICH THEY ARE EMPLOYED.

12

The Commission believes that for a board to act responsibly, careful attention must be paid to the view of faculty members. There are three principal ways to assure that faculty views are considered by the board: faculty should be encouraged to suggest candidates to the Committee on Trustees; they should participate as regular members on appropriate board committees; and faculty from other institutions can be appointed to the board.

Trustees must be careful that direct contact with faculty on board committees does not undermine the authority of the president (see Number 9 in the Illustrative Trustee Code of Conduct). The purpose of trustee-faculty contact on committees is to share viewpoints, not to make decisions which should be reserved for the full board's deliberation.

However, there is a clear conflict of interest when faculty serve as voting members of a governing board of their own institution. Where a faculty engages in collective bargaining, the conflict becomes glaring. The intention of this recommendation is by no means to eliminate presentation of faculty views, but simply to recognize the inevitable conflict of interest.

Even in the case of a faculty member from another institution, the Commission believes that there is a potential conflict of interest if that faculty member's institution is a competing one. This potential conflict, like any other, should be assessed by the nominating committee when the faculty member's qualifications are reviewed.

Recommendation

EACH GOVERNING BOARD SHOULD ADOPT A POLICY DESIGNED TO IDENTIFY AND ESTABLISH PROCEDURES FOR DEALING WITH A TRUSTEE'S POTENTIAL CONFLICTS OF INTEREST.*

- **ALL RELATIONSHIPS AND BUSINESS AFFILIATIONS THAT REASONABLY COULD GIVE RISE TO A CONFLICT OF INTEREST SHOULD BE MADE KNOWN TO THE BOARD.**
- **TRUSTEES SHOULD NEITHER PARTICIPATE IN DISCUSSIONS NOR VOTE ON ISSUES WHERE A POTENTIAL CONFLICT OF INTEREST HAS BEEN IDENTIFIED.**

13

No person should be excluded from serving as a trustee solely because of a *potential* conflict of interest, but the legitimacy of governing board decisions requires that trustees be willing to avoid potential conflict of interest situations when they participate in discussion and vote. The disclosure aspects of this requirement should be administered in a confidential manner by the executive committee. When a trustee is being evaluated for reappointment, the chairperson of the board is responsible for informing the Committee on Trustees of that person's potential conflicts of interest.

*(See Illustrative Trustee Code of Conduct, Appendix A, and AGB's Guidelines for Policies Affecting Potential Conflicts of Interest, Appendix C.)

Recommendation 14

ALUMNI ASSOCIATIONS SHOULD BE ENCOURAGED TO PARTICIPATE IN THE NOMINATION OF A LIMITED NUMBER OF TRUSTEES.

About 2,600 of the 43,000 trustee positions are designated to come from alumni (Gomberg and Atelsek, 1977, p. 12). In addition, it is common for a number of institutions to select heavily from their alumni in choosing trustees. Alumni tend to have a strong interest in and understanding of the institution.

Although institutional tradition often decides the role alumni play in the selection of trustees, the Commission believes that specific provision should be made for alumni associations to participate in the selection of alumni trustees, either through the Committee on Trustees, by nomination with *pro forma* election by the board, or by direct election. Alumni who serve on the board should neither be considered nor should they see themselves as representatives of that constituency. They must serve in the interest of the entire institution.

In cases where institutions choose to have alumni trustees elected, the alumni association should be encouraged to conduct a thorough screening of candidates. In one university, the president of the alumni association appoints a committee of alumni to nominate six people for two vacant positions. The alumni nominating committee consists of five people, and is balanced by schools within the university as well as sex and geography.

The alumni association, in this example, sends a note to current trustees, club presidents and campus personages, and publishes an announcement in the alumni bulletin asking for nominations for prospective trustees to be sent to the committee. The committee meets and discusses the various candidates' qualifications and selects six for inclusion on a mail ballot. The alumni office is then responsible for assembling biographical data and for handling the mechanics of the election. The ballots go out to all of the university's 25,000 active alumni (active alumni are classified as those who are either dues-paying members of the association or who have partici-

pated in the annual giving campaign for the last three years).

In addition, the Commission recommends providing an opportunity for consultation between the alumni and the board's Committee on Trustees. Such consultation could bring questions of board diversity, balance, and special needs to the alumni nominating committee's attention.

References

Carnegie Council on Policy Studies in Higher Education. *A Classification of Institutions of Higher Education,* revised edition. Berkeley: The Carnegie Foundation for the Advancement of Teaching, 1976.

Gale, R. L. Selecting and Deploying Trustees. In R. T. Ingram and Associates, *Handbook of College and University Trusteeship.* San Francisco: Jossey-Bass Publishers, 1980.

Gomberg, I. L., & Atelsek, F. J. *Composition of College and University Governing Boards.* Washington, D.C.: American Council on Education, 1977 (Higher Education Panel Reports, Number 35).

Ingram, R. T. and Associates. *Handbook of College and College Trusteeship.* San Francisco: Jossey-Bass Publishers, 1980.

McIntyre, V. L. Student trustees: The National Picture. *AGB Reports, March/April 1977, pp. 15-20.*

Nason, J. W. *The Future of Trusteeship.* Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1974.

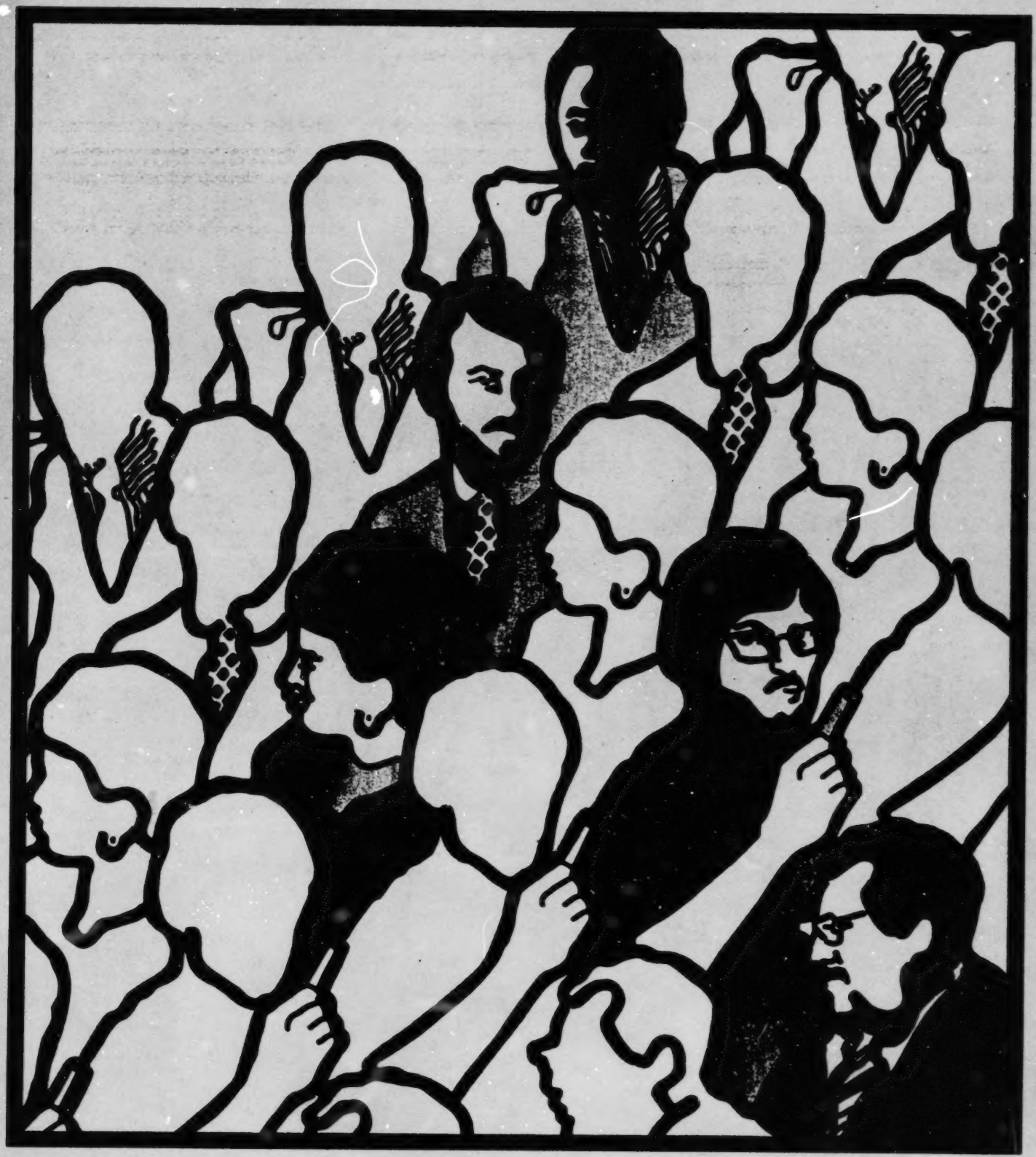
Nason, J. W. Responsibilities of the Governing Board. In R. T. Ingram and Associates, *Handbook of College and University Trusteeship.* San Francisco: Jossey-Bass Publishers, 1980.

National Center for Education Statistics. *Education Directory, Colleges & Universities 1978-1979.* Washington, D.C.: U.S. Department of Health, Education, and Welfare, 1979a.

National Center for Education Statistics. *Preliminary Estimates, Fall Enrollment in Colleges and Universities, October 1979.* Washington, D.C.: U.S. Department of Health, Education, and Welfare, 1979b. (NCES 80-B02)

Parsonage, R. R. (Ed.) *Church-Related Higher Education.* Valley Forge, Pennsylvania: Judson Press, 1978.

Stamm, M. J. Catholic Education's New Lay Trustees. *AGB Reports,* September/October 1979, pp. 19-24.



Appendix

ILLUSTRATIVE TRUSTEE CODE OF CONDUCT

This illustrative code has been developed to help boards formulate their own codes of conduct for individual members. The obvious purpose of such a code is to help the new board member understand the obligations and restrictions he or she assumes in accepting a trusteeship. In addition, it can also serve to encourage incumbents to assess their own performance, and to provide governing boards and appointing authorities with a list of desirable qualities to consider in identifying capable men and women for board positions.

The adoption of an institutional code of conduct demands careful consideration by the trustees in consultation with the chief executive because performance that is inconsistent with the code may be considered cause for removal from office. The board's bylaws or other policy document should specify the action(s) required for calling for the resignation of a board member (e.g., affirmative vote of two-thirds of the board).

Conflicts of interest (covered in items 10 and 11) represent the important matter of "trustee ethics." Each board should provide its members with an adopted policy statement which covers the conditions that constitute a conflict of interest, vehicles for disclosure, and procedures to be followed when a conflict of interest is perceived to exist.

ILLUSTRATIVE TRUSTEE CODE OF CONDUCT

1. To become familiar with and committed to the major responsibilities of a governing board:
   a) To appoint the president
   b) To support the president
   c) To monitor the president's performance
   d) To clarify the mission
   e) To approve long-range plans
   f) To approve the educational program
   g) To insure financial solvency
   h) To preserve institutional independence
   i) To enhance the public image
   j) To interpret the community to the campus
   k) To serve as a court of appeal
   l) To assess their own performance

(Nason, John. "Responsibilities of the Governing Board." In *Handbook of College and University Trusteeship*, R. T. Ingram and Associates. San Francisco: Jossey-Bass Publishers, 1980.)

2. To support the institution's fund-raising efforts through personal giving in accordance with one's means (to both annual funds and capital drives), and to be willing to share in the solicitation of others.

3. To devote time to learn how the institution functions—its uniqueness, strengths and needs—its place in postsecondary education.

4. To carefully prepare for, regularly attend, and actively participate in board meetings and committee assignments.

5. To accept and abide by the legal and fiscal responsibilities of the board as specified by institutional charter, bylaws, and state statutes and regulations.

6. To vote according to one's individual conviction, to challenge the judgment of others when necessary; yet to be willing to support the majority decision of the board and work with fellow board members in a spirit of cooperation.

7. To maintain the confidential nature of board deliberations and to avoid acting as spokesperson for the entire board unless specifically authorized to do so.

8. To understand the role of the board as a policy-making body and to avoid participation in administration of policy.

9. To learn and consistently to use designated institutional channels when conducting board business (e.g., responding to faculty and student grievances, responding to inquiries concerning the status of a presidential search, etc.).

10. To comply with conflict of interest policies and disclosure forms developed by the board (see sample conflict of interest policy and sample record forms in AGB "Guidelines for Policies Affecting Potential Conflicts of Interest," following).

11. To refrain from actions and involvements that might prove embarrassing to the institution and to resign if such actions or involvements develop.

12. To make judgments always on the basis of what is best for the institution as a whole and for the advancement of higher education rather than to serve special interests.

Appendix B
SAMPLE BOARD PROFILE

SAMPLE BOARD PROFILE

Categories	Present Membership 1980	Possible Vacancies By Year 1981	1982	1983
Age				
70 and over				
60-69				
50-59				
40-49				
30-39				
Under 30				
Sex				
Female				
Male				
Race				
White				
Black				
Hispanic				
Asian or Pacific Island				
Native American or Alaskan Native				
Area of Expertise				
Administration				
Agriculture				
Business				
Education				
Finance				
Fundraising				
Government				
Health/Medical				
Legal				
Marketing				
Physical Plant				
Public Policy				
Public Relations				
Religion				
Other				
Geographical Distribution				
Local				
From State				
Key city (ies)				
Out-of-State				
College Relationship				
Alumni				
Parents				
Other				
Financial Position				
Independent				
Salaried				
Other				
Church Affiliation (if church related)				
Length of Service				
Over 10 years				
5-10 years				
2-4 years				
one year or less				

Appendix

GUIDELINES FOR POLICIES AFFECTING POTENTIAL CONFLICTS OF INTEREST

This is the policy of the Association of Governing Boards (AGB) which appeared in the January/February 1979 issue of *AGB Reports*

Potential conflicts of interest have been a source of increasing concern in all branches of trusteeship. Many governing boards of colleges and universities have adopted statements of policy to make public the position of the institution in this complex matter. In response to a growing number of requests, the Board of Directors of AGB has adopted the following statement to assist institutions in arriving at a general statement that can be adapted to particular circumstances. It is not intended to cover all possible conditions. It is confined to broad considerations rather than to details, but covers the issues most likely to arise.

The Association acknowledges with gratitude the various institutions which have shared their adopted statements with AGB; and we acknowledge the assistance of a number of member trustees and chief executives who have provided the benefit of their review.

Preliminary Considerations

Institutions of postsecondary education, both public and private, continue to be involved in programs affecting the public interest. Their trustees have adopted and published guidelines for themselves and administrators at all levels to insure that the highest possible degree of probity is observed. Among these concerns is the problem of potential conflicts of interest.

At the same time, it should be recognized that members of governing boards are likely to be, and indeed should be, persons of responsible involvement in affairs other than trusteeship of postsecondary education. A competent board can scarcely be recruited from persons entirely free from potential conflict of interest. To a degree, the same can be said for administrators.

The term "trustee" itself indicates that members of a board are acting for others, not for themselves, and are legally appointed for that purpose. Hence the term "fiduciary." Disclosure of potential conflicts of interest are therefore but reasonable steps to be taken by reasonable per-

sons, without implying dubious practice. As emphasized later, concern for the letter of the law is but the first stage. Equally important is demonstrated awareness of broad ethical considerations.

The policy adopted by a board should assure that both trustees and staff members place the welfare of the institution above personal interests or the interests of family members or others who may be personally involved in substantial affairs affecting the institution, including not only fiscal transactions but any other matters affecting program, personnel, or auxiliary enterprises. It should provide for systematic, continuous disclosure of potential conflicts and the means for resolving them. The individual trustee and the board as a whole should maintain current records of potential conflicts for review and evaluation by persons appointed by the board.

To insure that the statement of policy has the full force of the institution behind it, the bylaws of the institution should include reference to the statement. The policy statement itself need not be included in the bylaws, since the policy may require occasional modification based on experience. Change is usually accomplished most easily when it does not involve the bylaws.

Check The Statutes

Public and private institutions should review pertinent statutes bearing on conflict of interest to make sure that the institutional policy conforms in all respects to their requirements.

Because trustees are responsible for the total well-being of an institution, their responsibility extends beyond financial aspects into all matters bearing on the progress, stability, and effectiveness of the institution. Thus the board should be alert to all relationships which could be seen as affecting its integrity. These may not always be issues of legality but of self-imposed standards.

In formulating its own statement, a board may feel it necessary to identify specific danger zones without attempting to be over-prescriptive. For example, nepotism is a practice to be avoided. Whether to be specific on such a point is a matter of judgment. For another: A board member may be sought as lecturer in some field of specialization, or may be needed as a consultant for a short period. It is the responsibility of both the individual involved, and of the board as a whole, to determine in advance the limitations to be accepted by the trustee during such a period of double function if indeed such double function is deemed permissible at all.

In more general terms, it has been argued that a president should not serve as a voting member of his or her own board, a point worthy of consideration. If the president is not to have the vote, the board should certainly take care to specify the role of the president in meetings of the board and to insure particularly that the board will not act on institutional affairs without the recommendations of the president and without his or her full participation, unless under most unusual circumstances.

Boards having student and faculty representation from within the institution need to consider, as indeed the students and faculty should consider, whether certain restrictions on the role of these members should be adopted to avoid the conflict of interest implicit in this arrangement.

An attempt to compile an inventory of potential conflicts of interest, however, would be futile. There can be no substitute for sensitivity on the part of individual trustees and of the board as a whole. Over-zealous pursuit of the issue can ultimately hamper the sensible performance of duty. Legal determinations may prove fairly easy. The more delicate issues may simply require the intelligence and judgment to raise necessary questions in a timely fashion and to dispose of them one way or another as the board itself may see fit.

SAMPLE CONFLICT OF INTEREST POLICY FOR TRUSTEES, OFFICERS AND OTHER KEY EMPLOYEES

1. SCOPE: The following statement of policy applies to each member of the board and to all officers of (college or university). Further, it is intended to serve for the guidance of all persons employed by the institution, regardless of position.

2. FIDUCIARY RESPONSIBILITY: Members of the board, officers and staff serve a public-interest role and thus have a clear obligation to conduct all affairs of the institution in a manner consistent with this concept. All decisions of the board and officers of administration of the (college or university) are to be made solely on the basis of a desire to promote the best interests of the institution and the public good.

3. DISCLOSURE: The policy of the board of (college or university) requires that in the event the board or officers must consider any transaction for the institution which also involve 1) a member of the board or any officer of the institution or a member of his or her family (which shall be a spouse, parents, siblings, children and any other relative) or 2) an organization with which a member of the board or any officer of the institution is affiliated, such trustee or officer, at the first knowledge of the transaction, shall disclose fully the precise nature of the interest or involvement.

Disclosure is further required of board members and officers of the institution concerning all *relationships and business affiliations* that reasonably could give rise to a conflict of interest involving the institution. This disclosure shall be continuously reported and kept current, as set forth below. For the purpose of this policy, affiliation is understood to prevail if the trustee or officer, or a member of the family:

a. Is an officer, director, trustee, partner, employee or agent of such organization; or
b. Is either the actual or beneficial owner of more than (e.g., 1 percent—5 percent) of the voting stock or control interest of such an organization; or
c. Has any other direct or indirect dealings with such organization from which he or she knowingly is materially benefited (e.g., through receipt directly or indirectly of cash or other property in excess of ($_____) a year—including (or exclusive of) dividends or interest.

All disclosures required under this policy must be directed in writing to (the secretary of the board or to _____) who together with the (college or university) counsel, shall be responsible for the administration of this policy. Matters under this policy concerning trustees shall be reported initially to the chairman of the board for appropriate action; those concerning staff will be referred initially to the president. Information disclosed to the secretary (or chairman or president) shall be held in confidence except when the best interest of the institution would be served by disclosing the information to the board in executive session.

4. RESTRAINT ON PARTICIPATION: Trustees or officers who have declared or been found to have conflict of interest in any matter before the administration or the board shall refrain from participating in consideration of the proposed transaction, unless for special reasons the board or administration requests information or interpretation from the person or persons involved. The person or persons involved should *not* vote on such matters and should not be present at the time of vote.

Any board member who is uncertain about possible conflict of interest in any matter, may request the board to determine whether a possible conflict prevails; the board shall resolve the question by majority vote. When possible, the question of potential conflict should be referred to counsel for an opinion prior to the board's vote. Adopted by the (board of trustees)

_____
(Institution)

_____
(Date)

OPTION I: CONFLICT OF INTEREST QUESTIONNAIRE

Following are two possible options for the purpose of developing and maintaining adequate records. Either option can be modified or adapted with advice of legal counsel, to institutional circumstances and board judgment. Neither form is presented as a perfect device. Boards which elect to adopt a version of either form are urged to require each board member to complete and update it annually. Further, the forms should be formally reviewed on a schedule and by an official or officials determined by the board.

_____

(Institution Name)

_____

(Name) (Date)

_____

Office Held (Trustee, V.P. for Administration, etc.)

1. Are you an officer or director of any corporation with which *(institution name)* has business dealings? Yes____ No____
   If the answer to the foregoing question is "yes," please list the names of such corporations, the office held, and the approximate dollar-amount of business involved with the (college or university) last year.
2. Do you, or does any member of your family, have a financial interest in, or receive any remuneration or income from, any business organization with which *(institution name)* has business dealings? Yes____ No____
   If the answer to the foregoing question is "yes," please supply the following information:
   a. Names of the business organizations in which such interest is held and the person(s) by whom such interest is held:
   b. Nature and amount of each such financial interest, remuneration or income:
3. Did you, or any member of your family receive, during the past twelve months, any gifts or loans from any source from which *(institution name)* buys goods or services or with which *(institution name)* has significant business dealings? Yes____ No____
   If the answer to the foregoing question is "yes," list such gifts or loans as follows:

Name of Source Item Approximate Value

I certify that the foregoing information is true and complete to the best of my knowledge.

_____

(Date) (Signature)

OPTION II: DISCLOSURE LETTER

Board Secretary (or other designated official)

(Name and address of college or university)

Dear _____:

I have received and read the statement of "Policy on Conflicts of Interest" approved by the Board on *(Date)*, and I am in compliance with the policy except as specifically set forth below.

For the information of the (college or university), I am listing on the reverse all of my "associates" as defined, and the position and/or interest which I or a member of my family has in each "associate."

Sincerely,

_____ _____

(Date) (Signature)

Exceptions
(Note: If there are none, please write "none.")

Associates*

Trustee or Family**Member	Associate	Position and/or Interest

*An associate of an individual includes any person, trust, organization or enterprise (of a business nature or otherwise) with respect to which the individual or any member of his or her family 1) is a director, officer, employee, member, partner or trustee, or 2) has financial interest as described in the Board's policy on conflict of interest adopted on (date), or any other interest which enables him or her to exercise control or significantly influence policy.

**The family of an individual includes his or her spouse, parents, siblings, children and any other blood relative.

Appendix D

PROJECT ORIGINS AND METHODS

In 1973 the Association of Governing Boards of Universities and Colleges (AGB) surveyed governing board chairmen on trustee selection and other issues. More than two-thirds of the 800 respondents felt that appointive authorities do not tend to place the ablest persons on boards of public institutions. Three-quarters of the respondents agreed that "there is an urgent need for a set of guidelines to assist authorities in identifying and placing the most able people on boards." The survey also revealed the conspicuous gap between factors which *should be* influential in trustee selection and those which *are* influential. For example, 73 percent of the respondents agreed that leadership skills should be an important criterion for trustee selection, but only 35 percent reported that leadership skills are used, in fact, as an important criterion.

As a follow-up to this survey, the AGB Board of Directors appointed a special committee to consider whether the Association should assume a leadership role by analyzing the issues at hand and recommending alternative procedures and guidelines. The committee, chaired by the honorable Elmer L. Andersen, former governor of Minnesota and the chairman of the Minnesota Board of Regents, was asked to study the advisability of a national commission to study selection processes. Several prominent individuals were interviewed and asked about the proposed study and its suggested scope. The consensus of those interviewed was that sound recommendations concerning selection procedures could be helpful and would be welcome. So the effort to develop a national commission was born.

In the spring of 1978, Dr. Kenneth Mortimer, Professor and Director of the Center for the Study of Higher Education, The Pennsylvania State University, was asked to assume the position of Project Director for a planned National Commission on the Selection of College and University Trustees. In December 1978, the Carnegie Corporation of New York announced a grant to conduct

the work of the Commission. The Commission met three times over an eighteen-month period and was aided by an extensive consultative and information-gathering process.

First, a thorough search of secondary documents and literature summarized what is known or thought about the prevailing methods, procedures, and criteria of trustee selection. Second, contacts were made with a number of knowledgeable people, telephone interviews were conducted, forums were held at two national AGB meetings and the annual meeting of The American Council on Education, and two pilot site visits were conducted to sensitize the staff and members of the Commission to the prevailing practices of trustee selection. Third, conversations and consultation with members of the Commission and members of two advisory task forces, representing a wide variety of groups, served to refine the issues for consideration.

An important ingredient in the Commission's work was twelve in-depth investigations of trustee selection methods and procedures in public and private institutions. These visits were designed to analyze how the varying methods of selection actually operate in different settings.

Finally, four papers were prepared as background for the staff and for use in preparing this report. They are listed as follows:

Renee C. Friedman. *Selection Models for Trustees (Regents) of Senior Public Higher Education Institutions.*

S. V. Martorana. *Trustee Selection: The Special Case of the Community College.*

John W. Nason. *The Requirements of a Good Trustee.*

Helen B. Warren. *Impact of Ethics Laws on Trustee Selection.*

Although the Commission deliberations profited from this information, the recommendations are based on the Commission's judgment as to needed reforms. The Commission is confident the recommendations will stand the test of practice and will serve as guidelines for governors, legislators, nominating authorities, trustees, and others interested in improving the selection of public college and university trustees.

The Association of Governing Boards of Universities and Colleges (AGB) is a non-profit educational organization of governing, coordinating and advisory boards. It serves some 24,000 trustees, regents and chief executives representing nearly 1,500 colleges and universities—private, public, two-year, four-year, general and specialized.

Design and illustrations by
Marlise Mason Longbottom